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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION



IN RE: \* Case No. 16-70045  
\*  
Bluff Creek Production, LLC, \*  
\*  
Debtor. \* July 5, 2016

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BEFORE THE HONORABLE RONALD B. KING  
BANKRUPTCY JUDGE  
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AGREEMENT

(Related Document(s): 49 - Motion to Reinstate Stay,  
or, Alternatively, to Compel Creditor to Comply with  
Rule 4001(a)(3) filed by Jesse Blanco, Jr., for Debtor  
Bluff Creek Production, LLC).

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Proceedings recorded by electronic sound recording,  
transcript produced by transcription service.

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A P P E A R A N C E S

LAW OFFICE OF JESSE BLANCO, JR.

By: Mr. Jesse Blanco, Jr.

7406 Garden Grove

San Antonio, Texas 78250

Appearing for the Debtor;

SNOW SPENCE GREEN, LLP

By: Mr. William Ross Spence

2929 Allen Parkway, Suite 2800

Houston, Texas 77019

Appearing for NEW AMCO, LLC.

\* \* \* \* \*

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1 THE COURT: Good morning, ladies and  
2 gentlemen. We'll call our 9:30 case first.

3 COURTROOM DEPUTY: Bluff Creek Production,  
4 LLC.

5 MR. BLANCO: Jesse Blanco for the Debtor,  
6 Bluff Creek Production, your Honor.

7 MR. SPENCE: Ross Spence with the lender,  
8 NEW AMCO, LLC.

9 THE COURT: All right. Where are we?

10 MR. BLANCO: We have, I think, the terms of  
11 a settlement. Counsel will read the terms, and we'll,  
12 obviously, send you a form of the order, and with the  
13 expectation that it will be approved by me. But I  
14 will let him recite the terms.

15 THE COURT: Okay.

16 MR. SPENCE: I would only qualify that to  
17 say that we believe we have an agreement. We need  
18 an announcement that it is agreed, on the record,  
19 otherwise, we would need to go forward with the  
20 hearing.

21 THE COURT: Okay.

22 MR. SPENCE: The agreement would be that the  
23 stay remains lifted. You have a motion to reinstate  
24 the stay pending today.

25 THE COURT: Right.

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1 MR. SPENCE: That would not happen, and it  
2 would remain lifted.

3 THE COURT: Okay.

4 MR. SPENCE: There would be a complete  
5 release by the Bluff Creek parties and their  
6 personal -- Gary Call, who's the principal of NEW  
7 AMCO, its affiliates, assigns, and everybody related  
8 to it, a thorough -- very thorough release.

9 And it would include that NEW AMCO is a settling  
10 party, because this Debtor is planning on suing a  
11 third-party bank, and we're worried about being  
12 brought into that suit with the third party. But we  
13 want to be --

14 THE COURT: Right.

15 MR. SPENCE: -- the settling party in that  
16 lawsuit.

17 THE COURT: Okay.

18 MR. SPENCE: So, that's part of it.

19 That the Debtor would sign deeds in lieu of  
20 foreclosure on the form that we last sent them, as  
21 drafts, that -- on our forms, un-modified, and that  
22 they will do that by tomorrow, certainly try to do it  
23 today, notarized, signed, executed and delivered,  
24 deeds in lieu of foreclosure.

25 And that the deficiencies will remain, the

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1 deficiencies between the loan balance, with all of its  
2 costs and expenses, and the amounts that were paid.

3 That there will be complete cooperation by the  
4 Debtor parties and Mr. Call in turning over the -- the  
5 keys; the records; they're all filed electronic and  
6 physical; well files, land files, operation files,  
7 vendor files, every kind of record relating to the  
8 business; and all keys to vehicles, et cetera.

9 That all vehicles are included in the  
10 transaction. In other words, we could be foreclosing  
11 on every single vehicle, but they had held out for  
12 certain vehicles to be kept by Mr. Call. But we're --  
13 we're now including all vehicles in the transaction so  
14 that NEW AMCO becomes titled owner to all vehicles.

15 And that the personal guarantee, then, provided  
16 all those things happen, would be released. Mr. Call  
17 would be released from his personal guarantee.

18 If he doesn't deliver, by tomorrow, these --  
19 executed, signed, delivered deeds in lieu of  
20 foreclosure, and cooperate on all these other points,  
21 then a \$2 million deficiency judgment would be entered  
22 into -- against Mr. Call, on a personal guarantee  
23 lawsuit that's pending right now in Dallas County, and  
24 that judgment would be a final judgment agreed to here  
25 today, to be entered if he doesn't deliver.

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1           So, those are the terms, as we understand them,  
2           from NEW AMCO's point of view.

3           THE COURT:   Okay.   Mr. Blanco?

4           MR. BLANCO:   The recitations of counsel,  
5           that's as I understand them also, your Honor.  
6           (Cough.)   Excuse me.   The only caveat is that I'd  
7           like to see the form of the order.   My client insisted  
8           on seeing the terms in writing.

9           THE COURT:   Okay.

10          MR. BLANCO:   I have -- And I will state, for  
11          the record, I've had nothing but the highest regard  
12          for Mr. Spence's management of this particular case on  
13          behalf of his client.   So, I doubt that anything that  
14          he has said is going to be contrary to what is reduced  
15          to writing.

16          THE COURT:   Okay.   How long will it take you  
17          to put the order together, Mr. Spence?

18          MR. SPENCE:   I have to appear in New Orleans  
19          tomorrow, so it'll be Wednesday -- I mean, Thursday,  
20          now.

21          THE COURT:   Okay.   But they have to turn  
22          over documents, and keys, and so forth, to you today  
23          or tomorrow, right, before the order's actually  
24          signed?

25          MR. SPENCE:   Correct.

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1 THE COURT: Okay.

2 MR. SPENCE: In fact, I don't really  
3 envision an order, more of a -- this recital of the  
4 agreement in the record is the agreement, a Rule 11  
5 agreement amongst the counsel. That's the -- really,  
6 the way I envision it.

7 MR. BLANCO: I would ordinarily --

8 THE COURT: Well, we do need an order.

9 But go ahead, Mr. Blanco.

10 MR. BLANCO: Once a --

11 THE COURT: We do need an order, a written  
12 order.

13 MR. BLANCO: Your Honor, I would -- With all  
14 due respect to the Court, the Court can say anything,  
15 the Court can do anything, but unless it's reduced to  
16 writing, signed off, it's not "soup," so to speak. We  
17 have to have an order.

18 THE COURT: Well, we'll -- we'll have to  
19 have a written order, of course. But we will hold  
20 people's feet to the fire based on oral announcements  
21 on the record, so...

22 MR. BLANCO: That's correct.

23 MR. SPENCE: I'll endeavor to try to draft  
24 the order long-distance today.

25 THE COURT: Okay.

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1 MR. SPENCE: I'll try to do that.

2 THE COURT: Yeah. If you can get it to  
3 Mr. Blanco, and -- and upload it somehow, you know,  
4 sitting at the airport, or wherever you are, that  
5 would be helpful. But if you can't, that's fine.

6 But that doesn't excuse your client from  
7 performing their obligations today and tomorrow,  
8 right, Mr. Blanco?

9 MR. BLANCO: That is correct, your Honor.

10 THE COURT: Okay.

11 MR. BLANCO: I would just note, it should  
12 not be an issue, but my client had day-surgery for  
13 skin cancer on his scalp Friday morning.

14 THE COURT: Okay.

15 MR. BLANCO: He would have been here today  
16 to testify to certain items, but he called me  
17 yesterday afternoon and said his face is swelling up  
18 and he's having complications.

19 THE COURT: Okay.

20 MR. BLANCO: That's why he could not be  
21 here.

22 THE COURT: Okay.

23 MR. BLANCO: I'm assuming that the health  
24 issues will not interfere with his ability to perform  
25 on all of the issues announced by counsel --



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1 THE COURT: All right.

2 MR. BLANCO: -- just a few minutes ago.

3 THE COURT: All right. Well, I hope not.

4 All right. If you'll submit us the order,

5 Mr. Spence. Thank you.

6 MR. BLANCO: Thank you, your Honor.

7 THE COURT: All right. Thanks, gentlemen.

8 (Other matters taken up.)

9 \*\*\*\*\*

10 I, Court approved transcriber, certify that the  
11 foregoing is a correct transcript from the official  
12 electronic sound recording of the proceedings in the  
above-entitled matter.

13 /s/ Darla Messina July 15, 2016  
14 Signature of Approved Transcriber Date

15  
16 Darla Messina  
17 Typed or Printed Name

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